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LAW AND PARLIAMENTARY AFFAIRS SECRETARIAT

Notification No. LAW 5 LGN 75

Bangalore, dated 22nd September 1975.

Ordered that the Karnataka Debt Relief Act, 1975 which received the assent of the President on the Twentieth day of September 1975 be published as Karnataka Act No. 38 of 1975 in the **Karnataka Gazette** for general information

KARNATAKA ACT No. 38 OF 1975

(First published in the Karnataka Gazette, *Extraordinary on the Twenty-second day of September* 1975*)*

THE KARNATAKA DEBT RELIEF ACT, 1975

(Received the assent of the President on the Twentieth day of September 1975*)*

An Act to provide relief from indebtedness to small farmers, landless agricultural labourers and other weaker sections of the people in the State of Karnataka.

Whereas it is considered expedient to provide relief from indebtedness to small farmers, landless agricultural labourers and other weaker sections of the people in the State and for matters incidental and ancilliary thereto;

Be it enacted by the Karnataka State Legislature in the Twenty-sixth Year of the Republic of India as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Karnataka Debt Relief Act, 1975.

(2) It extends to the whole of the State of Karnataka.

(3) It shall come into force at once.

2. Certain debts and liabilities not to be affected.—Nothing in this Act shall affect the following categories of debts and liabilities of small farmers, landless agricultural labourers and other weaker sections of the people, namely:—

(a) any rent due in respect of any property let out to such debtor;

(b) any amount due under a hire purchase agreement;

(c) any amount recoverable as arrears of land revenue;

(d) any liability arising out of breach of trust or any tortuous liability;

(e) any liability in respect of wages or remuneration due as salary or otherwise for services rendered;

(f) any liability in respect of maintenance whether under a decree of a court or otherwise;

(g) a debt due to—

(i) the Central Government or any State Government;

(ii) any local authority;

(iii) a credit agency within the meaning of the Karnataka Agricultural Credit Operations and Miscellaneous Provisions Act, 1974 (Karnataka Act No. 2 of 1975);

(iv) any Government Company within the meaning of the Companies Act, 1956;

(v) the Life Insurance Corporation of India;

(vi) a Co-operative Society; and

(h) any debt which represents the price of goods purchased by such debtor.

3. Definitions.—In this Act, unless the context otherwise requires,—

(a) "agriculture" includes,—

(i) horticulture;

(ii) the raising of crops, grass or garden produce;

(iii) dairy farming;

(iv) poultry farming;

(v) breeding of livestock;

(vi) grazing,

but does not include the cutting of wood only;

(b) 'debt' means any liability in cash or in kind, whether decreed or not and includes any amount which is in substance a debt; but does not include arrears of taxes due to the Central or the State Government or a local authority;

(c) 'debtor' means,—

(a) a small farmer; or

(b) a landless agricultural labourer; or

(c) a person belonging to the weaker sections of the people;

(d) 'landless agricultural labourer' means a person who does not hold any land and whose principal means of livelihood is manual labour on land;

(e) "small farmer" means a person who holds whether as owner, tenant, or mortgagee with possession or partly in one capacity and partly in another not more than one unit of land and who has no income from any source other than agriculture;

Explanation.—Where a person holds more than one category of land referred to in clause (f), the extent of land held by him shall be determined according to the following formula, namely:—

Two hectares of unirrigated lands=one hectare of rainfed wet land=half hectare of land having facilities for growing one irrigated crop=half hectare of land used for growing plantation crops or grapes or coconut or arecanut or mulberry=quarter hectare of land having perennial irrigation facilities or facilities for growing more than one irrigated crop in a year;

(f) 'unit' means—

(i) two hectares of unirrigated lands; or

(ii) one hectare of rainfed wet land; or

(iii) half hectare of land having facilities for growing one irrigated crop; or

(iv) half hectare of land used for growing plantation crops or grapes or coconut or arecanut or mulberry; or

(v) quarter hectare of land having perennial irrigation facilities or facilities for growing more than one irrigated crop in a year;

Explanation.—In this clause 'plantation crops' means cardamum, coffee, rubber and tea;

(g) 'weaker sections of the people' means persons not being small farmers or landless agricultural labourers, whose

annual income from all sources does not exceed two thousand four hundred rupees.

4. Relief from indebtedness.—Notwithstanding anything in any law for the time being in force or in any contract or other instrument having force by virtue of any such law and save as otherwise expressly provided in this Act, with effect and for a period of two years from the date of commencement of this Act,—

(a) every debt advanced before the commencement of this Act including the amount of interest, if any, payable by a debtor to the creditor shall not be recoverable from him or from any moveable or immoveable property belonging to him, nor shall any such property be liable to be attached and sold or proceeded against in any manner in execution of any decree or order relating to such debt against him ;

(b) no civil court shall entertain any suit or proceeding against the debtor for the recovery of any amount of such debt including interest, if any :

Provided that where a suit or proceeding is instituted jointly against a debtor and any other person, nothing in this clause shall apply to the maintainability of a suit or proceeding in so far as it relates to such other person ;

(c) all suits and proceedings (including appeals, revisions, attachments or execution proceedings) pending on the said date against any debtor for the recovery of any such debt other than those relating to a sale which has been confirmed before the said date shall be stayed ;

(d) every debtor undergoing detention in a civil prison in execution of any decree for money passed against him by a civil court in respect of any such debt shall be released ;

(e) every moveable property pledged by a debtor shall stand released in favour of such debtor and the pledgee creditor shall return the same to the debtor forthwith and where the pledgee creditor fails to do so, the debtor shall on application made to the Sub-Divisional Magistrate having

jurisdiction over the place where he resides be entitled to the return of the same.

Explanation.—Nothing in this section shall be construed as entitling any debtor for refund of any part of a debt already repaid by him or recovered from him before the commencement of this Act.

5. Exclusion of time for limitation.—In computing the period of limitation prescribed for a suit or for an application for execution of a decree or order in respect of a debt referred to in section 4, the period during which the suits or proceedings are barred or stayed by this Act shall be excluded.

Explanation.—A decree or order shall be deemed to be a decree or order for the purposes of this Act notwithstanding that any other relief is granted by such decree or order.

6. Interest not to accrue.—Notwithstanding anything in any law or in any agreement, contract, decree or order of any court or other authority, for the period referred to in section 4 no interest shall accrue in respect of any debt to which this Act applies.

7. Burden of proof.—Notwithstanding anything in any law, in any suit or other proceedings, the burden of proving that the debtor is not entitled to the protection of this Act shall lie on the creditor.

8. Agreement for labour to become void in certain circumstances.—Any custom, tradition or agreement (whether entered into before or after the commencement of this Act) whereunder any person or any member of his family is required to work for another person as labourer or otherwise in consideration of any money paid or loan advanced shall be void.

By Order and in the name of the Governor of Karnataka,

M. L. RAMASWAMI,
Draftsman and **Ex-Officio**
Joint Secretary to Government,
Department of Law and Parliamentary Affairs.

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